



HMUA MINUTES

REGULAR
MEETING OF

August 13, 2019

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING August 13, 2019

JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kuster at 7:01 P.M. Chairperson Kuster announced that adequate notice of this meeting has been given to the area press and the Town of Hackettstown, and the meeting shall be convened and conducted in accord with the requirements of the Open Public Meetings Act.

Roll call indicated the following members in attendance: Kuster, John DiMaio, Harper and Kunz.

Also attending: Counselor John Zaiter, Executive Director Corcoran, Deputy Director Biank, and Recording Secretary Palma.

Chairperson Kuster led a salute of the United States Flag.

Chairperson Kuster indicated approval of the July 9th Regular Meeting minutes as the next agenda item. A motion to approve the minutes was made by Harper being seconded by Kunz with Kuster, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster opened the meeting to public participation and noted there were no members the public present.

Chairperson Kuster stated the next agenda item was the discussion and possible action regarding any project Change Orders. Executive Director Corcoran stated this agenda item would be discussed in Executive Session.

Chairperson Kuster stated the next agenda item was to entertain Resolutions approving the Operations Expense Account Requisitions #OEA-1162 and #OEA-1163 in the total amount aggregate amount of \$221,736.18.

The following Resolution #19-3406 was proposed by John DiMaio who moved its adoption:

Resolution #19-3406

BE IT RESOLVED, that the following Operations Expense Requisitions be formally approved:

| | | | | |
|--------|---------------|----------|-------|---------------------|
| Dated: | July 05, 2019 | OEA-1162 | SL-16 | \$104,124.63 |
| Dated: | July 19, 2019 | OEA-1163 | SL-17 | <u>\$117,611.55</u> |
| | | | Total | \$221,736.18 |

This Resolution was seconded by Kunz and upon roll call vote carried:

Ayes: Chairperson Kuster, John DiMaio, Harper and Kunz

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Renewal & Replacement Fund Requisition #RR-260 in the aggregate amount of \$43,160.20. The following Resolution #19-3407 was proposed by Kunz who moved its adoption.

Resolution #19-3407

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-



260 be formally approved:

REQUISITION #RR-260

| | | | |
|--------------------------|-----------------------------|----|---------------|
| Campbell Foundry Company | Manhole Frames/Covers/Rings | \$ | 1,644.00 |
| Iron Hill Construction | Nitrification System | | 36,201.20 |
| Mott MacDonald | Professional Services | | 4,460.00 |
| Suburban Consulting | Contract 47W | | <u>855.00</u> |
| | Total | \$ | 43,160.20 |

This Resolution was seconded by Harper and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Escrow Subaccount Requisition #ESR-291 in the amount of \$2,059.50. The following Resolution #19-3408 was proposed by Harper who moved its adoption.

Resolution #19-3408

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-291 be formally approved:

REQUISITION #ESR-291

| | | | |
|----------------|-------------------|----|---------------|
| Mott MacDonald | Betty Jane Hammel | \$ | 1,654.50 |
| Mott MacDonald | Heath Village | | <u>405.00</u> |
| | Total | \$ | 2,059.50 |

This Resolution was seconded by John DiMaio and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster stated the next agenda item was discussion and possible action to retain a firm to conduct laboratory services.

Executive Director Corcoran explained that quotes were requested from 3 different laboratories; however, the Authority only received one proposal back. She believes this is because the Authority changed some of the contract requirements. One example being that if regulatory violations occurred due to the laboratory's error; then the lab would be responsible for any cost incurred by the HMUA to correct the violation. Kathy stated that the lab which we have been using for the past year, ALS Environmental, quoted the same unit pricing as their current contract.

The following Resolution #19-3409 was proposed by Kunz who moved its adoption.

Resolution #19-3409

WHEREAS, due to the need to obtain accurate laboratory data for submission to regulatory authorities and the implications of the Safe Drinking Water Act and Clean Water Act, the Hackettstown Municipal Utilities Authority has a need to retain professional Certified Laboratory services; and,

WHEREAS, the Authority has determined and certified in writing that the value of the acquisition will exceed \$17,500 and has solicited quotations; and,



WHEREAS, ALS Environmental of Middletown, PA has submitted the lowest quotation indicating they will provide the laboratory services in the amount of \$32,743.00; and,

WHEREAS, ALS Environmental has completed and submitted a Business Entity Disclosure Certification which certifies that ALS Environmental has not made any reportable contributions to a political or candidate committee in the Town of Hackettstown in the previous one year, and that the contract will prohibit ALS Environmental from making any reportable contribution in the coming year; therefore,

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority authorizes the laboratory services by ALS Environmental in the amount of \$32,743.00.

This Resolution was seconded by Harper and upon roll call vote carried:

Ayes: Kuster, John DiMao, Harper and Kunz.

Chairperson Kuster stated the next agenda item was discussion and possible action to authorize release of the performance bond for the Lion Gate at Musconetcong Project (WaWa) in Hackettstown.

The following Resolution #19-3410 was proposed by Harper who moved its adoption.

Resolution #19-3410

WHEREAS, Lion Gate at Musconetcong (WaWa Project) has requested the release of the project Performance Bond (9671056) in the amount of \$108,306.90 for water and sewer construction associated with the project; and

WHEREAS, the as-built drawings for WaWa and a Maintenance Bond in the amount of \$10,830.69 have been submitted, reviewed and approved; therefore

BE IT RESOLVED, that the Hackettstown Municipal Utilities Authority authorizes the release of Bond (9671056) to Lion Gate at Musconetcong.

This Resolution was seconded by Kunz and upon roll call voted carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster stated the next agenda item was discussion and possible action to approve and adopt the 2017-2018 fiscal year audit Corrective Action Plan.

The following Resolution #19-3411 was proposed by Kunz who moved its adoption.

Resolution #19-3411

WHEREAS, by Resolution #19-3402, the Board Members of Hackettstown Municipal Utilities Authority (HMUA) have certified that they have received the 2018 annual audit and have personally reviewed the audit, and have specifically reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations" in accordance with N.J.S.A. 40A:5A-17; and

WHEREAS, the Audit includes Comments and Recommendations requiring action by the Authority; and

WHEREAS, N.J.S.A. 5:31-7.6 (i) requires "a corrective action plan, in the form of a



Resolution, to be adopted by the members of the governing body with respect to Comments and Recommendations made in the audit, shall be filed forthwith with the Division within 45 days of receipt of the annual audit"; and

WHEREAS, a corrective action plan addressing these Comments and Recommendations has been prepared by the Executive Director of the Authority; and

WHEREAS, the Board Members of the Authority have reviewed this 2018 Correction Action Plan (attached hereto).

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Town of Hackettstown Municipal Utilities Authority the following:

The Board Members hereby approve and adopt the 2018 Audit Corrective Action Plan.

The Secretary of the Authority is hereby directed to promptly submit to the Director of the Division of Local Government Services this Correction Action Plan, accompanied by a certified true copy of this Resolution.

This Resolution was seconded by Harper and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster stated the next item was discussion and possible action to adopt a resolution to call upon the New Jersey Legislature to reject Senate Bill 3870 and Assembly Bill 5391.

Executive Director Corcoran explained what is currently proposed in the NJ Senate and Assembly bills. The following Resolution #19-3412 was proposed by Kunz, who moved its adoption:

Resolution #19-3412

WHEREAS, the mission of the Hackettstown Municipal Utilities Authority, having offices at 424 Hurley Drive, Hackettstown, NJ, 07840 is to provide safe, clean reliable and cost-effective drinking water and quality wastewater/sewage management services; and

WHEREAS, the Hackettstown Municipal Utilities Authority believes that the public has a right to vote on important community concerns such as the ownership of its water and sewerage systems; and

WHEREAS, the Hackettstown Municipal Utilities Authority believes that ratepayers of water and sewer systems should not be burdened with costs unrelated to the operation and maintenance of those systems; and

WHEREAS, Senate Bill 3870 and Assembly Bill 5391 eliminate the public referendum currently required for the sale of a sewerage system and so deprive the public of the opportunity to decide about the ownership and operation of one the most basic and important of local services; and

WHEREAS, Senate Bill 3870 and Assembly Bill 5391 permit approaches to valuation of a sewerage system that will unfairly inflate the sales price and burden ratepayers in the selling community and elsewhere in the State with paying for inflated cost; and



WHEREAS, Senate Bill 3870 and Assembly Bill 5391 tilt the playing field in favor of an investor-owned utility purchaser; and

WHEREAS, Senate Bill 3870 and Assembly Bill 5391 discourage municipalities from fully exploring the viability of other approaches to owning and maintaining a sewerage system that may be less burdensome to ratepayers, such as continuing to own and operate the sewerage system, regionalizing with other public units, entering into shared services agreements, or entering into a sales agreement with other public agencies such as authorities; and

NOW THEREFORE BE IT RESOLVED, that the Hackettstown Municipal Utilities Authority calls upon all Members of the New Jersey Senate and Assembly to protect the best interests of ratepayers and preserve, for the public good, public ownership and operation of sewerage systems to vote “No” on S3870/A5391.

This Resolution was seconded by John DiMaio and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster stated that the next agenda item would have been the sewer utility superintendent report. However, he stated that after having a discussion with Kathy it was agreed that most relevant topics are well known to Kathy and/or Frank from an engineering perspective, and are included in the Executive Director’s report. Moving forward, Kathy and Frank can review the superintendents’ reports and relay relevant information to the board. In addition, the engineer’s report is received and reviewed before the meeting; therefore any board member questions on the report can typically be answered by Kathy and/or Frank. It was recommended that the sewer and water utility superintendents should not have to provide reports at the meetings unless necessary for a particular topic. Similarly, the Authority’s consulting engineer will only be requested to attend meetings that require his input. Board members indicated it was nice to see the superintendents and engineer as frequently as they have in the past. Kathy confirmed that she intends to request their attendance on significant topics and she expects this will happen somewhat frequently.

A motion was made by John DiMaio authorizing Executive Director Corcoran and Deputy Director Biank to oversee and report to the Board on the utility superintendents’ and engineer’s monthly report. He also stated that the Executive Director has discretion to decide whether to request attendance by utility superintendents and the consulting engineer.

This was seconded by Kunz and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster requested Executive Director Corcoran to proceed with her report.

Executive Director Corcoran began by stating that she is working on preparation of the capital project list and cost estimates for the next fiscal year budget.

Kathy also stated she and Frank attended a seminar on DER (designated employer representative) training for CDL licenses. She confirmed that the new Federal Laws will require



a significant effort to stay within the laws especially when hiring new employees. She also stated that significant documentation will be required for drug and alcohol testing and doctor evaluations, when required, determination of any infractions prior to hiring, and reporting infractions to the federal government clearinghouse. She stated this new regulation will require changes to our employee manual with regard to CDL licenses.

Kathy then gave a developer overview

- Heath Village West continues construction with the first section of water main almost completed.
- Quick Check has completed Authority requirements and issued a Permit to Construct.
- Princess Towers development is waiting for Planning Board approval and has not paid its connection fees.
- Woodmont development is awaiting DEP and County approvals.

Kathy also stated that there will be large work group meeting for the arsenic treatability study on September 19th. It appears that the request for variance from the USEPA will be moving forward.

Kathy stated that the nitrification system diffuser project has been completed and they are waiting for the submission of as-built drawings and O&M manuals. She confirmed the maintenance bond has been submitted.

Kathy also stated that they are moving forward with the purchase of the two new slide gates, due to corrosion and inability to hold back water, and two mud valves in the UV channels. She also stated they will be hiring a separate contractor to install the new equipment.

Kathy continued by stating that the pilot PAA chemical injection and testing has started and results are good, but not great. They are fine tuning the dosages required to maintain low or non-detect E. coli results. Once the study is complete, Mott MacDonald will prepare a report summarizing the findings of the pilot study.

Kathy stated that Mott MacDonald provided the options for the removal of the underground storage tanks (USTs) and installing above ground tanks (ASTs) at the WPCP. She stated the cost is very high and that natural gas may once again be a more cost effective option, but involving updated generator loads and boiler requirements associated with the heating system in the Advanced Treatment Building (ATB). She stated that Frank is heading up this evaluation and deferred to him.

Frank informed the Board that Mott MacDonald has prepared cost estimates for the replacement of the heating system in the ATB. The natural gas fired heating system capital cost is slightly less than the fuel oil heating system. The operating costs for the natural gas heating system are significantly cheaper versus the fuel oil heating system. The cost of the natural gas service is being prepared by Elizabethtown Gas. An easement for the new gas service is anticipated. This will require significant additional evaluation involving Mott MacDonald.



Kathy stated that the valve exercising program is going very well. She confirmed that all the 12” or larger valves have been exercised as required by the Water Quality Accountability Act and there have been no major issues.

Kathy stated that in preparation of the upcoming NJDOT paving project on Route 46 (Main St.), now scheduled for 2020, the Water Utility has replaced the service line to the old Presbyterian Church and will be removing the abandoned service line to the Hess Station tomorrow which will involve detours.

Kathy stated that there have been 3 main breaks this year. There also was another issue with the tapping sleeve at Hasting Square, in front of Heath Village West. This was the same fitting repaired in March with a new gasket but has since started leaking again. It was determined that the pipe was too worn, and the gasket would not seal to the existing pipe. Therefore, the water utility removed the wet tap and replaced it with a mechanical joint tee and new gate valve.

Kathy concluded by stating that the average daily water usage for July was 2.536 MGD which was lower than last year’s 2.826 MGD daily average.

Chairperson Kuster requested Counselor Zaiter to proceed with his report. Counselor Zaiter stated he had nothing further to add.

At this point it was suggested that the Board convene into Executive Session.

Chairperson Kuster stated he would entertain a motion to convene into Executive Session. Resolution #19-3413 was proposed by John DiMaio who moved its adoption. The motion to convene into Executive Session was seconded by Kunz. Ayes: Kuster, John DiMaio, Harper and Kunz.

Resolution #19-3413

BE IT RESOLVED, on this 13th day of August by the Hackettstown Municipal Utilities Authority and pursuant to N.J.S.A. 10:4-1 et. seq., the Authority shall discuss Contract Negotiations and Potential Litigation in Executive Session.

It is not possible, at this time, for the Authority to determine when and under what circumstances the above referenced item, which is to be discussed in Executive Session, can be publicly disclosed.

THEREFORE, BE IT RESOLVED, on this 13th day of August, 2019 by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 7:55 PM.

Kunz moved to end Executive Session and re-enter Regular Session, said motion being seconded by Harper and all indicating approval at 8:21 PM. No formal action was taken during Executive Session.

Upon returning from Executive Session, Chairperson Kuster stated he would like to go back to agenda item #6 regarding project change orders.

The following Resolution #19-3414 was proposed by Harper who moved its adoption.

Resolution #19-3414



WHEREAS, the Hackettstown Municipal Utilities Authority has reviewed the proposed Change Order request by Suburban Consulting Engineers (SCE) in the amount of \$20,822.20; and

WHEREAS, the Authority has determined that the majority of the change order request was for work included in the lump sum project scope and only \$1,057.50 of additional fee for Franklin Ave and Maple Ave. soil disposal could be justified based upon time sheet backup/notes provided; and

WHEREAS, SCE has stated that they would credit \$3,208.27 to their change order amount, which is the difference between the original \$130/ton bid price for HMA base course and the \$125.19/ton renegotiation price calculated by SCE and the Authority for Contract 47W due to contractor installation of 1,795 tons vs. the base bid quantity of 940 tons; therefore

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority agrees that \$1,057.50 of the requested change order amount is justified; however the SCE credit of \$3,208.27 to their change order results in monies due the Authority.

This Resolution was seconded by John DiMaio and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz.

Chairperson Kuster asked whether anyone had business of a general nature to discuss. There being no additional comments or discussion, Chairperson Kuster declared a motion to adjourn would be in order and was so moved by John DiMaio, seconded by Kunz and followed by a unanimous voice vote.

Time – 8:27 P.M.

Kathleen Corcoran, PE, PP, PMP
Executive Director & Secretary